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ASPECTS OF SOVIET PARTICIPATION IN RUMANIAN ECONOMY

This report discusses various aspects of CEMA (Council of Economic Mutual Assistance), Soviet participation in Rumanian foreign trade, the metallurgical industry, the electrical industry, petroleum, miniug, Sovrom, and Stakhanovite methods.

Numbers in parentheses refer to appended sources.

Collaboration between the USSR and the Rumanian People's Republic has extended to the most diverse economic fields. The USSR has granted favorable credits and loans. The two countries have common industrial companies (Sovrom), common means of transportation, and reciprocal aid in geologic exploration and the exploitation of natural resources. They collaborate in the training of specialized personnel and the exchange of scientific and technical innovations. The USSR assists in the preparation of national economic plans and aids in their fulfillment by sending certain goods to Rumania.

The CEMA, created in January 1949, was formed to facilitate the exchange of goods on an equal basis between the USSR and the People's Democracies. Under this council the USSR has sent enormous quantities of raw materials and semimanufactured goods to Rumania. The volume of exchange is increasing rapidly. For example, trade between the two countries was 30 percent greater in 1950 than in 1949, and their agreements provided for payments of products in rubles. This factor constitutes protection against fluctuations in currency in the rest of the world and frees these countries from the pressure of the dollar. Similar agreements between Rumania and the other People's Democracies permit constant increase in the exchange of goods. For example, trade between Rumania and the Polish People's Republic was twice as great in 1949 as in 1945.(1, 2)

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A few representative figures will serve to show how greatly Ruman'an exports have increased since the establishment of CEMA and conversion to a planned economy. Rumanian exports increased from 2.2 percent of total production in 1938 to 15.1 percent of total production in 1949. The 1949 tonnage value of Rumanian exports was twice as great as in 1938, and the value of tonnage imported rose more than 40 percent in the same period.

Among the products exported in great quantity are forestry raw materials, such as logs and timber, and finished products, such as veneer, inlay, wooden musical instruments, prefabricated housing units, and other items.

While exports and imports between Rumania and the USSR and the People's Democracies are rising sharply, trade with the US and Marshall Plan countries is declining. For example, exports to the US and Marshall Plan countries were valued at 66.6 million dollars in 1938 and 15.2 million dollars in 1948. Imports declined from 74.9 million dollars in 1938 to 18.7 million dollars in 1948.(2)

Soviet aid in the economic and social construction of Rumania includes raw materials, means of production, technical, and diplomatic aid. Rumania has imported from the USSR coal, coke, iron, cotton, and other raw materials, thousands of railroad cars and locomotives, and industrial machinery. Soviet aid to the metallurgical industry has included machine tools such as lathes, fraising machines, planers, grinders, and compressors. The petroleum industry has received drills, mud pumps, drill bits, drilling shafts, and tractors. The mining industry has received pneumatic drills, corers, cutting machines, extracting machines, and mine railroad equipment.(1)

The latest Soviet machinery is now in use in some areas. The Soviet tunneling combine PPK-1 has achieved great success. A single combine has extracted as much as 11,000 tons of coal per month. A new coal plane which advances at a speed of 6-7 meters per minute and makes a cut 200-250 millimeters wide has been used. Other mining machines received from the USSR are the ZAL-1 combine, a coalloading machine accompanying illustration resembles the Soviet 0-57, the Karlik AK-1, a battery power-mining locomotive, and the SEM-3 stope drill.(3)

The mining industry has been aided not only by the shipment of materials, but also by the work of Soviet technicians in Rumania. The USSR has sent trained personnel to Rumania to aid in the discovery of new mines, as well as in the application of new methods. For example, in January 1951, two Soviet geologists, Kudrayashov /fnu/ and Aleksandr Solov'yev, searching for new iron-ore deposits by air, located sid.rite deposits extending through the hills of Colanul and Varful for a radius of 10 miles.(4)

Imports from the Soviet Union in the electrical industry include equipment for thermal electric and hydroelectric stations capable of producing 300,000 kilowatts of power $\sqrt{\sin c}$, equipment for transformer stations, and other items. The chemical industry received pumps for sulfuric acid, gas meters, graphite electrodes, dyestuffs for use as laboratory reagents, and other products.

A new agreement signed in Moscow or 24 August 1951 will broaden the exchange of goods between the two countries. This agreement provides for the large-scale exchange of industrial equipment and technical aid for the period 1952 - 1955. The annual exchange of goods is to exceed the 1948 - 1951 annual average by

One of the most important means of Soviet aid to the RPR is through mixed Soviet-Rumanian enterprises (Sovrom). They are organized on the basis of equality between the two parties. Such organizations have been established in the fields of metallurgy, tractor industries, petroleum, gas, methane, wood, chemistry, constructions, river, maritime, and air transport, as well as other sectors. The

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fact that they are directed by Soviet specialists and technicians permits the introduction of Soviet knowledge in technical fields. These enterprises are not merely for economic development, but are instruments in the spread of socialism.

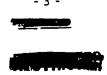
Finally, the USSR has given Rumania technical aid through the introduction and application of new methods of work, such as the Stakhanovite, Kotlyar, Kovalev, Marova, Zhandorova, and Korovnikova methods, introduced by visiting technicians such as Pavel Bykov, or presented in Soviet technical literature.(1)

SOURCES

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